



March 28, 2022

Jude Daye, Executive Assistant
Blue Cross and Blue Shield of Vermont
445 Industrial Lane
Montpelier, VT 05601

Re: Blue Cross and Blue Shield of Vermont, The Vermont Health Plan
3Q 2022 LG Rating Program Filing
SERFF Tracking #: BCVT-133174900

Dear Jude Daye:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group products filings submitted on 3/3/2022. The following additional information is required for these filings.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. Provide an exhibit demonstrating consistency between approved hospital budgets and the proposed medical unit cost trend.
2. We note that the experience for BCBSVT’s AHP business would be considered fully credible for experience-rating purposes, but the AHP experience was combined with Large- and Small-Group experience for the development of the AHP manual rate. Given the relative sizes of these blocks, it would therefore seem that the AHP experience has little significance to the AHP manual rate. Further explain the decision to base the AHP manual rate primarily on Large- and Small-Group business, particularly when the AHP experience was not considered in the rates for those blocks.
3. In the prior AHP filing, the assumed utilization trends for facility and professional claims were 0.6% and 1.1%, respectively. Based on Section 4.1.2 of the Actuarial

Memorandum, it appears that the experience learned since that time has been more favorable than anticipated. Explain what has caused your projection of future trends to increase to 2.4% when the observed trends have not been at this higher level.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than April 1, 2022. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

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